

**UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF NORTH CAROLINA  
WINSTON SALEM DIVISION**

**IN RE:**

**ALEVO MANUFACTURING, INC., *et al.*,      CASE NO. 17-50877  
DEBTORS.                                      (CONSOLIDATED FOR PURPOSES OF  
ADMINISTRATION ONLY)  
CHAPTER 11**

**STATUS REPORT IN SUPPORT OF MOTION FOR EXTENSION OF THE  
EXCLUSIVE PERIODS TO FILE PLAN OF  
REORGANIZATION AND OBTAIN ACCEPTANCES THEREOF**

COME NOW Alevo USA, Inc. and Alevo Manufacturing, Inc. (the “Debtors”), by and through undersigned counsel, and file this Status Report in support of their Motion for the Court to extend the following deadlines for a period of three (3) months: (1) the deadline for filing a plan and disclosure statement in the above-referenced cases; and (2) the Debtors’ exclusive periods for filing a plan and obtaining acceptances of such plan (the “Motion”) The Debtors respectfully represent to the Court as follows:

1. On August 18, 2017 (the “Petition Date”), the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.
2. The Debtors continue to control their assets as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
3. A Creditors’ Committee was appointed in the case of Alevo Manufacturing, Inc.
4. As the Court is aware, the Debtors’ ability to maximize value for the benefit of their creditors is closely tied to the fate of the Swiss parent companies, Alevo International SA and Alevo Group SA. Also, a German company, Alevo Battery Technology GmbH, which is a

subsidiary of Alevo Group SA is also important to the Debtors' ability to produce the GridBank in the United States with the equipment owned by Manufacturing and located in Concord, NC.

5. As had been reported to the Court at the hearing on employment of Hilco, a Swiss Administrator is overseeing a Swiss proceeding initiated by the parent companies. The Swiss administrator for Alevo Group SA has obtained lending from Bootsmeade LeaseCo, LLC which will enable this entity to continue making payroll and covering other expenses for the immediate subsidiaries of Alevo Group SA through the end of January, 2018. During this time, the Swiss Administrator will consider proposals from parties interested in the assets of Alevo Group SA and/or certain of its subsidiaries. Depending upon the identity of the ultimate acquirer of stock or assets, some acquirers, and particularly Bootsmeade LeaseCo, LLC could offer an opportunity for the Debtors to avoid an auction of their assets by Hilco on January 31, 2018.

6. The order entered by this Court on December 14, 2017 approving the employment of Hilco contained terms allowing the auction to be terminated by the Debtors. Such termination would occur if a better option is available as a result of the Swiss proceedings.

7. The Debtors are informed that the German administrator has sold the assets of Alevo Battery Technology GmbH, but at this time the identity of the buyer is not known.

8. The Debtors filed the Motion to protect their right to extend the "exclusive periods" for filing the Plan and Disclosure Statement and obtaining acceptances thereof. It is not through any purpose to delay that the Debtors that they are seeking relief under Section 1121(d) to extend the exclusive periods. Until the events mature in Switzerland and Germany, the Debtors must keep their options open and are protecting the rights of their creditors by doing so.

9. Due to the recent holidays, the flow of information regarding the Swiss proceedings has been diminished, but at the hearing on the Motion, any further updates obtained by the Committee or Debtors will be provided.

Respectfully submitted this the 2nd day of January, 2018.

**NELSON MULLINS RILEY & SCARBOROUGH LLP**

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